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C O N T E N T S

(Information as of noon EDT, 10 October 1968)

Europe

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THE WEEK IN PERSPECTIVE

CZECHOSLOVAKS RESIST NEW SOVIET PRESSURES TO CAPITULATE

Despite new Soviet pressures, Czechoslovak leaders continued to procrastinate concerning Moscow's demands that they implement the August agreement. Although the reaction of the Czechoslovak leadership to the latest Prague-Moscow "summit" conference was far from submissive, a Czechoslovak Government delegation went to Moscow on 8 October to negotiate an agreement which will legalize an indefinite occupation.

NATO'S RESPONSE TO THE CZECHOSLOVAK CRISIS

The 15 allies ended the first round of their continuing assessment of the Czechoslovak situation last week in general agreement on the need--if not the means--for strengthening the alliance.

NEW PORTUGUESE GOVERNMENT MAKES IMPRESSIVE DEBUT

Marcello Caetano is off to a good start as prime minister, with his initial moves having pleased both the military and the opposition.

INVASION TO HAVE NO LONG-TERM IMPACT ON EAST-WEST TRADE

Western governments have made little economic response to the Czechoslovak crisis and are not likely to come up with any basic change in policy.

BRITAIN'S WILSON CARRIES ON THE STRUGGLE

Disheartened Labor Party conference delegates last week passed antigovernment resolutions which generally will be ignored by the Wilson government.

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Far East

THE WEEK IN PERSPECTIVE

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VIETNAM

10

Precautionary moves were taken by the Saigon government on 8 October to forestall a possible coup following unconfirmed reports from various sources of plotting by some low-level South Vietnamese military officers. The Communists generally avoided heavy ground engagements again this week, and weekly casualty figures for US and Communist forces were the lowest since mid-August. Hanoi's seaborne imports increased by 35 percent during the first nine months of 1968 compared with the same period last year.

COMMUNIST CHINA'S ECONOMY CONTINUES TO LAG

Peking paid little attention to the economy in National Day propaganda and placed further political obstacles to a recovery in industrial production.

NORTH KOREAN INFILTRATION SLACKS OFF

Communist infiltration and reconnaissance across the Demilitarized Zone reached their yearly high in August and September. An expected increase in North Korean aggressiveness this year has failed to materialize thus far.

LAOTIAN POLITICAL FACTIONS CONTINUE MANEUVERING

The Pathet Lao appear to be raising their price for any return to the government, and Prime Minister Souvanna is making another of his periodic efforts to get the government organized for a future political contest with the Communists.

PHILIPPINE-MALAYSIAN DEADLOCK PERSISTS

No significant exchanges between Manila and Kuala Lumpur over the Philippine claim to Sabah have occurred since mid-September, and both sides appear to have turned for the moment to the domestic implications of the dispute.

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Middle East - Africa

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THE WEEK IN PERSPECTIVE

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LOCUST THREAT INCREASES IN EAST AFRICA

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New locust swarms in East Africa could threaten crop production throughout the Middle East and East Africa if not quickly controlled.

RESUPPLIED BIAFRANS STALL NIGERIAN THRUSTS

Biafran resistance has stiffened considerably, mainly as a result of an increase in arms supplies to the rebels. The Biafrans will probably be able to delay considerably the capture of their remaining strongholds by federal forces.

MULELE AFFAIR ROCKS BOTH CONGOS

The return and execution of rebel leader Pierre Mulele has created considerable agitation in Congo (Kinshasa) and neighboring Congo (Brazzaville), and has precipitated a rupture of relations between the two governments.

INDIA'S MONSOON CAUSING PROBLEMS

An erratic monsoon is creating hardships in some areas and will reduce Indian foodgrain production by several million tons under last year's record harvests.

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SOVIET NAVY TO USE ALEXANDRIA SHIPYARD

24

The USSR reportedly is planning to make extensive use of ship construction and repair facilities in Alexandria, both for building naval and merchant ships and for the continued repair of Soviet naval vessels.

Western Hemisphere

THE WEEK IN PERSPECTIVE

PERU'S MILITARY GOVERNMENT EXPROPRIATES US COMPANY

This move will increase the Velasco government's popular support, but will also delay future foreign investment.

MEXICO STILL TENSE ON EVE OF OLYMPICS

The heavy military presence that has followed the severe violence of 2 October has kept tensions high.

COMPLEX PROBLEMS PLAGUE BRAZILIAN GOVERNMENT

The Costa e Silva government is being hard pressed by a variety of perplexing problems that involve the military, students, workers, and elements of the church.

ECUADOR'S VELASCO WEATHERS FIRST CONGRESS SESSION

President Jose Maria Velasco has come through the first session of congress without serious challenge and is asserting his economic and political control with determination.

VENEZUELAN ELECTION CAMPAIGN HEATS UP

Venezuela's presidential election campaign has grown perceptibly hotter as the 1 December election date draws nearer. None of the leading candidates has a lead wide enough to ensure victory, and the closeness of the contest has already resulted in charges of coup plotting, violence and election fraud.

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